



www.mgslp.org/800-537-7508

June, 2006

# GSL Online

Montana's Premiere student loan publication



## STAFFORD AND PLUS MPN CHANGES

In accordance with the Higher Education Reconciliation Act (HERA), MGSLP implemented the modified Federal Family Education Loan Program (FFELP) Master Promissory notes and Plain Language Disclosures. Changes to these documents include the following:

- Addition of the Addendum to Stafford and PLUS MPN's including the elimination of the spousal consolidation program, the change in terminology from *Guaranty Fee* to *Federal Default Fee*, and mandating a fixed interest rate on loans disbursed on or after July 1, 2006.
- Updated Stafford and PLUS MPN expiration dates, which are located in the upper-right corner of both Stafford and PLUS MPN's
- Revision to terms and conditions of the Stafford and PLUS loans including a change that allows graduate and professional students to take out PLUS Professional loans and Parent PLUS loans.

If you have questions about any of the above changes contact Client Services at 800-537-7508.

## MGSLP GRANTS INCREASE

In June, our agency announced plans to more than double the MGSLP Grant amounts. The increase from \$200,000 to \$500,000 will allow us to help hundreds of Montana students pay for college. MGSLP allocates the grants directly to financial aid offices at each school based upon undergraduate enrollment. All Montana schools participate in MGSLP Grants including MSU, UM, community colleges and tribal colleges. Financial aid offices award students at their discretion, although awards must be need-based.

## FOCUS ON FINANCIAL AID



This month we feature Eileen Bishop, the new Director of Financial Aid for Miles Community College. Eileen accepted the position this past spring after being a teacher for several years. Eileen says she really enjoys the staff at MCC. "There is instant

help here in the office, or across campus. I am so impressed with the knowledge this staff has and how everyone just pitches in and gets the job done. Everyone here wears 15 hats and is always willing to help." Eileen is married and has two boys ages 9 and 12.

## UPCOMING EVENTS & HOLIDAYS

- 4th of July (MGSLP office closed for the holiday)
- NASSFA Annual Conference in Seattle July, 5-8

Questions or comments? Contact: Lyndsay Bruno at  
444-0610/lbruno@mgslp.state.mt.us

## THE DIRECTORS DEN

Summer marks the onset of many of the provisions of the Higher Education Reauthorization Act (HERA). Effective July 1, 2006, guarantee agencies must deposit one percent of the gross loan proceeds for a new Stafford or PLUS loan into their Federal Funds (these are the funds that pay lenders when student loans default). Many lenders and guarantors will choose to pay this one percent fee on behalf of their borrowers. To cover the cost of this fee, however, they will likely have to reduce long-term benefits to the borrower. While borrowers will benefit in the short-run, I'm not personally convinced that paying this one percent fee is really in the best interest of our borrowers.

On a separate note that truly is good news, the US Department of Education appears to have a good handle on and process to deal with the new Pell Academic Competitiveness Grants. Of the 37 states that submitted rigorous core requests, all 37 have received preliminary approval (including Montana). For those Montana students who have completed a FAFSA and who appear to be Pell eligible, they can expect to receive immediate notification from the USDE. Students will be asked to complete a FAFSA addendum and schools will be notified once the FAFSA has been updated. Schools should soon be able to draw down Montana's share of the \$790 million allocated for additional Pell grants in 2006-2007!

*Bruce Marks, Director*

## GEAR UP ESSAY CONTEST

For the sixth-year in a row MGSLP has sponsored the GEAR UP Essay contest. This year was very successful with a total of 183 winners and over \$36,000 awarded to Montana's 7th and 8th graders.

## NEW FACES OF MGSLP

Welcome Debbie Austin to Default Prevention; Chris Hammond to Default Resolution and Gary Hudders to Computer Support.

## CONGRATULATIONS TO MIKE & TRACI MAZANEC

Meet 3-week old Issac Matthew Mazanec. Issac is the new born baby of MGSLP's Mike Mazanec. At birth little Isaac weighed in at 7 lbs. 13 oz. Issac's dad Mike is the Computer Systems Analyst for MGSLP.

